

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 95

BY LOCAL GOVERNMENT COMMITTEE

AN ACT

RELATING TO URBAN RENEWAL; AMENDING SECTION 50-2006, IDAHO CODE, TO PROVIDE FOR AN ELECTION, TO REVISE PROVISIONS RELATING TO ESTABLISHING A BOARD OF COMMISSIONERS, TO PROVIDE FOR COMPOSITION OF A BOARD OF COMMISSIONERS, TO PROVIDE FOR BOARD TERMS, TO REVISE PROVISIONS RELATING TO REMOVAL OF A COMMISSIONER, TO PROVIDE FOR FILLING A VACANCY, TO REVISE PROVISIONS RELATING TO THE ELECTION OF BOARD OFFICERS AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 50-2007, IDAHO CODE, TO REVISE POWERS OF URBAN RENEWAL AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 50-2008, IDAHO CODE, TO REVISE THE COMMENT PERIOD AND TO PROVIDE A CORRECT CITATION; AMENDING SECTION 50-2012, IDAHO CODE, TO REVISE THE MAXIMUM PERIOD OF TIME BONDS MAY BE ISSUED AND TO MAKE A TECHNICAL CORRECTION; AMENDING CHAPTER 20, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-2033, IDAHO CODE, TO PROVIDE FOR PROHIBITED AMENDMENTS; AMENDING SECTION 50-2903, IDAHO CODE, TO REVISE THE DEFINITIONS OF "DETERIORATED AREA" AND "TERMINATION DATE" AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 50-2904, IDAHO CODE, TO REVISE PROVISIONS RELATING TO REVENUE ALLOCATION AREAS AND MONEYS OBTAINED THERETO; AND PROVIDING SEVERABILITY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 50-2006, Idaho Code, be, and the same is hereby amended to read as follows:

50-2006. URBAN RENEWAL AGENCY. (a) There is hereby created in each municipality an independent public body corporate and politic to be known as the "urban renewal agency" for the municipality; provided, that such agency shall not transact any business or exercise its powers hereunder until or unless the local governing body has made the findings prescribed in section 50-2005, Idaho Code; and provided further, that such agency shall not transact any business or exercise its powers provided for in this chapter until a majority of qualified electors, voting in a citywide election in the city in which such agency is created, vote to authorize such agency to transact business and exercise its powers provided for in this chapter.

(b) Following the approval of qualified electors pursuant to subsection (a) of this section, and upon the local governing body making such the findings provided in subsection (a) of this section, the urban renewal agency is authorized to transact the business and exercise the powers hereunder by a board of commissioners to be ~~appointed or designated~~ established as follows:

(1) The mayor, by and with the advice and consent of the local governing body, shall appoint a board of commissioners of the urban renewal agency which shall consist of not less than three (3) commissioners nor more than nine (9) commissioners. In the order of appointment, the mayor

shall designate the number of commissioners to be appointed, and the term of each, provided that the original term of office of no more than two (2) commissioners shall expire in the same year. The commissioners shall serve for terms not to exceed five (5) years, from the date of appointment, except that all vacancies shall be filled for the unexpired term.

(2) For inefficiency or neglect of duty or misconduct in office, a commissioner may be removed by a majority vote of the board only after a hearing and after he shall have been given a copy of the charges at least ten (10) days prior to such hearings and have had an opportunity to be heard in person or by counsel. Any commission position which becomes vacant at a time other than the expiration of a term shall be filled by a majority vote of the board. The board may elect any person to fill such vacant position where such person meets the requirements of a commissioner provided for in this chapter.

(23) By enactment of an ordinance, the local governing body may appoint and designate itself to be the board of commissioners of the urban renewal agency, in which case all the rights, powers, duties, privileges and immunities vested by the urban renewal law of 1965, and as amended, in an appointed board of commissioners, shall be vested in the local governing body, who shall, in all respects when acting as an urban renewal agency, be acting as an arm of state government, entirely separate and distinct from the municipality, to achieve, perform and accomplish the public purposes prescribed and provided by said urban renewal law of 1965, and as amended.

(3) By enactment of an ordinance, the local governing body may terminate the appointed board of commissioners and thereby appoint and designate itself as the board of commissioners of the urban renewal agency.

(c) A commissioner shall receive no compensation for his services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties. Each commissioner shall hold office until his successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner shall be filed with the clerk of the municipality and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner.

The powers of an urban renewal agency shall be exercised by the commissioners thereof. A majority of the commissioners shall constitute a quorum for the purpose of conducting business and exercising the powers of the agency and for all other purposes. Action may be taken by the agency upon a vote of a majority of the commissioners present, unless in any case the by-laws shall require a larger number.

~~The mayor may appoint a chairman, a cochairman, or a vice chairman for a term of office of one (1) year from among the commissioners, thereafter~~ the commissioners shall elect the chairman, cochairman or vice chairman for a term of one (1) year from among their members. An agency may employ an executive director, technical experts and such other agents and employees, permanent and temporary, as it may require, and determine their qualifications, duties and compensation. For such legal service as it may require, an agency may employ or retain its own counsel and legal staff. An agency authorized to transact business and exercise powers under this chapter shall

1 file, with the local governing body, on or before March 31 of each year a
 2 report of its activities for the preceding calendar year, which report shall
 3 include a complete financial statement setting forth its assets, liabili-
 4 ties, income and operating expense as of the end of such calendar year. At
 5 the time of filing the report, the agency shall publish in a newspaper of
 6 general circulation in the community a notice to the effect that such report
 7 has been filed with the municipality and that the report is available for
 8 inspection during business hours in the office of the city clerk or county
 9 recorder and in the office of the agency.

10 (d) An urban renewal agency shall have the same fiscal year as a munici-
 11 pality and shall be subject to the same audit requirements as a municipality.
 12 An urban renewal agency shall be required to prepare and file with its lo-
 13 cal governing body an annual financial report and shall prepare, approve and
 14 adopt an annual budget for filing with the local governing body, for informa-
 15 tional purposes. A budget means an annual estimate of revenues and expenses
 16 for the following fiscal year of the agency.

17 (e) An urban renewal agency shall comply with the public records law
 18 pursuant to chapter 3, title 9, Idaho Code, open meetings law pursuant to
 19 chapter 23, title 67, Idaho Code, the ethics in government law pursuant to
 20 chapter 7, title 59, Idaho Code, and the competitive bidding provisions of
 21 chapter 28, title 67, Idaho Code.

22 SECTION 2. That Section 50-2007, Idaho Code, be, and the same is hereby
 23 amended to read as follows:

24 50-2007. POWERS. Every urban renewal agency shall have all the powers
 25 necessary or convenient to carry out and effectuate the purposes and pro-
 26 visions of this act, including the following powers in addition to others
 27 herein granted:

28 (a) to undertake and carry out urban renewal projects and related ac-
 29 tivities within its area of operation; and to make and execute contracts and
 30 other instruments necessary or convenient to the exercise of its powers un-
 31 der this act; and to disseminate slum clearance and urban renewal informa-
 32 tion;

33 (b) to provide or to arrange or contract for the furnishing or repair
 34 by any person or agency, public or private, of services, privileges, works,
 35 streets, roads, public utilities or other facilities for or in connec-
 36 tion with an urban renewal project; to install, construct, and reconstruct
 37 streets, utilities, parks, playgrounds, off-street parking facilities,
 38 public facilities, other buildings or public improvements; and any improve-
 39 ments necessary or incidental to a redevelopment project; and to agree to
 40 any conditions that it may deem reasonable and appropriate attached to fed-
 41 eral financial assistance and imposed pursuant to federal law relating to
 42 the determination of prevailing salaries or wages or compliance with labor
 43 standards, in the undertaking or carrying out of an urban renewal project and
 44 related activities, and to include in any contract let in connection with
 45 such a project and related activities, provisions to fulfill such of said
 46 conditions as it may deem reasonable and appropriate;

47 (c) within its area of operation, to enter into any building or property
 48 in any urban renewal area in order to make inspections, surveys, appraisals,
 49 soundings or test borings, and to obtain, upon sufficient cause and after a

1 hearing on the matter, an order for this purpose from a court of competent
 2 jurisdiction in the event entry is denied or resisted; to acquire by pur-
 3 chase, lease, option, gift, grant, bequest, devise, eminent domain or oth-
 4 erwise, any real property (or personal property for its administrative pur-
 5 poses) together with any improvements thereon; to hold, improve, renovate,
 6 rehabilitate, clear or prepare for redevelopment any such property or build-
 7 ings; to mortgage, pledge, hypothecate or otherwise encumber or dispose of
 8 any real property; to insure or provide for the insurance of any real or per-
 9 sonal property or operations of the municipality against any risks or haz-
 10 ards, including the power to pay premiums on any such insurance; and to enter
 11 into any contracts necessary to effectuate the purposes of this act: Pro-
 12 vided, however, that no statutory provision with respect to the acquisition,
 13 clearance or disposition of property by public bodies shall restrict a mu-
 14 nicipality or other public body exercising powers hereunder in the exercise
 15 of such functions with respect to an urban renewal project and related activ-
 16 ities, unless the legislature shall specifically so state;

17 (d) with the approval of the local governing body, (1) prior to approval
 18 of an urban renewal plan, or approval of any modifications of the plan, to ac-
 19 quire real property in an urban renewal area, demolish and remove any struc-
 20 tures on the property, and pay all costs related to the acquisition, demoli-
 21 tion, or removal, including any administrative or relocation expenses; and
 22 (2) to assume the responsibility to bear any loss that may arise as the result
 23 of the exercise of authority under this subsection in the event that the real
 24 property is not made part of the urban renewal project;

25 (e) to invest any urban renewal funds held in reserves or sinking funds
 26 or any such funds not required for immediate disbursement, in property
 27 or securities in which savings banks may legally invest funds subject to
 28 their control; to redeem such bonds as have been issued pursuant to section
 29 50-2012, Idaho Code, at the redemption price established therein or to pur-
 30 chase such bonds at less than redemption price, all such bonds so redeemed or
 31 purchased to be canceled;

32 (f) to borrow money and to apply for and accept advances, loans, grants,
 33 contributions and any other form of financial assistance from the federal
 34 government, the state, county, or other public body, or from any sources,
 35 public or private, for the purposes of this act, and to give such security
 36 as may be required and to enter into and carry out contracts or agreements
 37 in connection therewith; and to include in any contract for financial as-
 38 sistance with the federal government for or with respect to an urban renewal
 39 project and related activities such conditions imposed pursuant to federal
 40 laws as the municipality may deem reasonable and appropriate and which are
 41 not inconsistent with the purposes of this act;

42 (g) within its area of operation, to make or have made all surveys and
 43 plans necessary to the carrying out of the purposes of this act and to con-
 44 tract with any person, public or private, in making and carrying out such
 45 plans and to adopt or approve, modify and amend such plans, which plans may
 46 include, but are not limited to: (1) plans for carrying out a program of vol-
 47 untary compulsory repair and rehabilitation of buildings and improvements,
 48 (2) plans for the enforcement of state and local laws, codes and regulations
 49 relating to the use of land and the use and occupancy of buildings and im-
 50 provements and to the compulsory repair, rehabilitation, demolition, or

removal of buildings and improvements, and (3) appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects and related activities; and to develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight and developing and demonstrating new or improved means of providing housing for families and persons of low income and to apply for, accept and utilize grants of funds from the federal government for such purposes;

(h) to prepare plans for and assist in the relocation of persons (including individuals, families, business concerns, nonprofit organizations and others) displaced from an urban renewal area, and notwithstanding any statute of this state to make relocation payments to or with respect to such persons for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government;

(i) to exercise all or any part or combination of powers herein granted;

(j) in addition to its powers under subsection (b) of this section, an agency may construct foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights sites for buildings and to be used for residential, commercial, industrial, and other uses contemplated by the urban renewal plan, and to provide utilities to the development site; ~~and~~

(k) to use, lend or invest funds obtained from the federal government for the purposes of this act if allowable under federal laws or regulations; and

(l) to disburse revenue allocation proceeds as described in section 50-2904, Idaho Code.

SECTION 3. That Section 50-2008, Idaho Code, be, and the same is hereby amended to read as follows:

50-2008. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL PROJECT. (a) An urban renewal project for an urban renewal area shall not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area or a combination thereof and designated such area as appropriate for an urban renewal project.

(b) An urban renewal agency may itself prepare or cause to be prepared an urban renewal plan, or any person or agency, public or private, may submit such a plan to an urban renewal agency. Prior to its approval of an urban renewal project, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body within ~~thirty~~ sixty (~~30~~) days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission, or if no recommendations are received within said ~~30~~ sixty (60) days, then without such recommendations, the local governing body may proceed with the hearing on the proposed urban renewal project prescribed by subsection (c) hereof.

(c) The local governing body shall hold a public hearing on an urban renewal project, after public notice thereof by publication in a newspaper

1 having a general circulation in the area of operation of the municipality.
2 The notice shall describe the time, date, place and purpose of the hearing,
3 shall generally identify the urban renewal area covered by the plan, and
4 shall outline the general scope of the urban renewal project under consid-
5 eration.

6 (d) Following such hearing, the local governing body may approve an ur-
7 ban renewal project and the plan therefor if it finds that (1) a feasible
8 method exists for the location of families who will be displaced from the ur-
9 ban renewal area in decent, safe and sanitary dwelling accommodations within
10 their means and without undue hardship to such families; (2) the urban re-
11 newal plan conforms to the general plan of the municipality as a whole; (3)
12 the urban renewal plan gives due consideration to the provision of adequate
13 park and recreational areas and facilities that may be desirable for neigh-
14 borhood improvement, with special consideration for the health, safety and
15 welfare of children residing in the general vicinity of the site covered by
16 the plan; and (4) the urban renewal plan will afford maximum opportunity,
17 consistent with the sound needs of the municipality as a whole, for the reha-
18 bilitation or redevelopment of the urban renewal area by private enterprise:
19 Provided, that if the urban renewal area consists of an area of open land to
20 be acquired by the urban renewal agency, such area shall not be so acquired
21 unless (1) if it is to be developed for residential uses, the local governing
22 body shall determine that a shortage of housing of sound standards and design
23 which is decent, safe and sanitary exists in the municipality; that the need
24 for housing accommodations has been or will be increased as a result of the
25 clearance of slums in other areas; that the conditions of blight in the area
26 and the shortage of decent, safe and sanitary housing cause or contribute to
27 an increase in and spread of disease and crime and constitute a menace to the
28 public health, safety, morals, or welfare; and that the acquisition of the
29 area for residential uses is an integral part of and essential to the pro-
30 gram of the municipality, or (2) if it is to be developed for nonresidential
31 uses, the local governing body shall determine that such nonresidential uses
32 are necessary and appropriate to facilitate the proper growth and develop-
33 ment of the community in accordance with sound planning standards and local
34 community objectives, which acquisition may require the exercise of govern-
35 mental action, as provided in this act, because of defective or unusual con-
36 ditions of title, diversity of ownership, tax delinquency, improper subdivi-
37 sions, outmoded street patterns, deterioration of site, economic disuse,
38 unsuitable topography or faulty lot layouts, the need for the correlation of
39 the area with other areas of a municipality by streets and modern traffic re-
40 quirements, or any combination of such factors or other conditions which re-
41 tard development of the area.

42 (e) An urban renewal plan may be modified at any time: Provided that
43 if modified after the lease or sale by the urban renewal agency of real prop-
44 erty in the urban renewal project area, such modification may be conditioned
45 upon such approval of the owner, lessee or successor in interest as the urban
46 renewal agency may deem advisable and in any event shall be subject to such
47 rights at law or in equity as a lessee or purchaser, or his successor or suc-
48 cessors in interest, may be entitled to assert.

49 (f) Upon the approval by the local governing body of an urban renewal
50 plan or of any modification thereof, such plan or modification shall be

1 deemed to be in full force and effect for the respective urban renewal area,
 2 and the urban renewal agency may then cause such plan or modification to be
 3 carried out in accordance with its terms.

4 (g) Notwithstanding any other provisions of this act, where the local
 5 governing body certifies that an area is in need of redevelopment or reha-
 6 bilitation as a result of a flood, fire, hurricane, earthquake, storm, or
 7 other catastrophe respecting which the governor of the state has certified
 8 the need for disaster assistance under ~~Public Law 875, Eighty-first Congress~~
 9 42 U.S.C. section 5121, or other federal law, the local governing body may
 10 approve an urban renewal plan and an urban renewal project with respect to
 11 such area without regard to the provisions of subsection (d) of this section
 12 and the provisions of this section requiring a general plan for the munici-
 13 pality and a public hearing on the urban renewal project.

14 SECTION 4. That Section 50-2012, Idaho Code, be, and the same is hereby
 15 amended to read as follows:

16 50-2012. ISSUANCE OF BONDS. (a) An urban renewal agency shall have
 17 power to issue bonds from time to time in its discretion to finance the un-
 18 dertaking of any urban renewal project under this act, including, without
 19 limiting the generality thereof, the payment of principal and interest upon
 20 any advances for surveys and plans or preliminary loans, and shall also have
 21 power to issue refunding bonds for the payment or retirement of such bonds
 22 previously issued by it. Such bonds shall be made payable, as to both princi-
 23 pal and interest, solely from the income, proceeds, revenues, and funds of
 24 the urban renewal agency derived from or held in connection with its under-
 25 taking and carrying out of urban renewal projects under this act: Provided,
 26 however, that payment of such bonds, both as to principal and interest, may
 27 be further secured by a pledge of any loan, grant or contribution from the
 28 federal government or other source, in aid of any urban renewal projects
 29 under this act, and by a mortgage of any such urban renewal projects, or any
 30 part thereof, title to which is in the urban renewal agency.

31 (b) Bonds issued under this section shall not constitute an indebted-
 32 ness within the meaning of any constitutional or statutory debt limitation
 33 or restriction, and shall not be subject to the provisions of any other law or
 34 charter relating to the authorization, issuance or sale of bonds. Bonds and
 35 other obligations of an urban renewal agency (and such bonds and obligations
 36 shall so state on their face) shall not be a debt of the municipality, the
 37 state or any political subdivision thereof, and neither the municipality,
 38 the state nor any political subdivision thereof shall be liable thereon, nor
 39 in any event shall such bonds or obligations be payable out of any funds other
 40 than those of said urban renewal agency. Bonds issued under the provisions
 41 of this act are declared to be issued for an essential public and governmen-
 42 tal purpose and, together with interest thereon and income therefrom, shall
 43 be exempted from all taxes.

44 (c) Bonds issued under this section shall be authorized by resolution
 45 or ordinance of the urban renewal agency and may be issued in one (1) or more
 46 series and shall bear such date or dates, be payable upon demand or mature at
 47 such time, or times, bear interest at a rate or rates, be in such denomina-
 48 tion or denominations, be in such form either with or without coupon or reg-
 49 istered, carry such conversion or registration privileges, have such rank or

1 priority, be executed in such manner, be payable in such medium of payment,
 2 at such place or places, and be subject to such terms of repayment, at such
 3 place or places, and be subject to such terms of redemption (with or without
 4 premium), be secured in such manner, and have such other characteristics, as
 5 may be provided by such resolution or ordinance, or trust indenture or mort-
 6 gage issued pursuant thereto.

7 (d) Such bonds may be sold at not less than par at public or private
 8 sales held after notice published prior to such sale in a newspaper having a
 9 general circulation in the area of operation and in such other medium of pub-
 10 lication as the agency may determine or may be exchanged for other bonds on
 11 the basis of par: Provided, that such bonds may be sold to the federal gov-
 12 ernment at private sale at not less than par, and, in the event less than all
 13 of the authorized principal amount on such bonds is sold to the federal gov-
 14 ernment, the balance may be sold at private sale at not less than par at an in-
 15 terest cost to the agency of not to exceed the interest cost to the agency of
 16 the portion of the bonds sold to the federal government.

17 (e) In case any of the officials of the urban renewal agency whose sig-
 18 natures appear on any bonds or coupons issued under this act shall cease to
 19 be such officials before the delivery of such bonds, such signatures shall,
 20 nevertheless, be valid and sufficient for all purposes, the same as if such
 21 officials had remained in office until such delivery. Any provision of any
 22 law to the contrary notwithstanding, any bonds issued pursuant to this act
 23 shall be fully negotiable.

24 (f) In any suit, action or proceeding involving the validity or en-
 25 forceability of any bond issued under this act or the security therefor,
 26 any such bond reciting in substance that it has been issued by the agency
 27 in connection with an urban renewal project, as herein defined, shall be
 28 conclusively deemed to have been issued for such purpose and such project
 29 shall be conclusively deemed to have been planned, located and carried out in
 30 accordance with the provisions of this act.

31 (g) On and after July 1, 2011, bonds may be issued for a maximum period
 32 of twenty (20) years.

33 SECTION 5. That Chapter 20, Title 50, Idaho Code, be, and the same is
 34 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 35 ignated as Section 50-2033, Idaho Code, and to read as follows:

36 50-2033. PROHIBITED AMENDMENT. Except for consolidation of revenue
 37 allocation areas, a revenue allocation area may not be amended to extend
 38 its boundaries. An amendment to an urban renewal plan created under this
 39 chapter that does not seek to increase the geographic area of the plan, or
 40 does not seek to extend the years of the plan, is not a prohibited amendment.
 41 No amendment to an existing revenue allocation area shall be interpreted to
 42 or shall cause an extension of the limitations established for the existing
 43 revenue allocation area as set forth in section 50-2904, Idaho Code.

44 SECTION 6. That Section 50-2903, Idaho Code, be, and the same is hereby
 45 amended to read as follows:

46 50-2903. DEFINITIONS. The following terms used in this chapter shall
 47 have the following meanings, unless the context otherwise requires:

1 (1) "Act" or "this act" means this revenue allocation act.

2 (2) "Agency" or "urban renewal agency" means a public body created pur-
3 suant to section 50-2006, Idaho Code.

4 (3) "Authorized municipality" or "municipality" means any county or
5 incorporated city which has established an urban renewal agency, or by or-
6 dinance has identified and created a competitively disadvantaged border
7 community.

8 (4) "Base assessment roll" means the equalized assessment rolls, for
9 all classes of taxable property, on January 1 of the year in which the local
10 governing body of an authorized municipality passes an ordinance adopting
11 or modifying an urban renewal plan containing a revenue allocation financ-
12 ing provision, except that the base assessment roll shall be adjusted as fol-
13 lows: the equalized assessment valuation of the taxable property in a rev-
14 enue allocation area as shown upon the base assessment roll shall be reduced
15 by the amount by which the equalized assessed valuation as shown on the base
16 assessment roll exceeds the current equalized assessed valuation of any tax-
17 able property located in the revenue allocation area, and by the equalized
18 assessed valuation of taxable property in such revenue allocation area that
19 becomes exempt from taxation subsequent to the date of the base assessment
20 roll. The equalized assessed valuation of the taxable property in a revenue
21 allocation area as shown on the base assessment roll shall be increased by
22 the equalized assessed valuation, as of the date of the base assessment roll,
23 of taxable property in such revenue allocation area that becomes taxable af-
24 ter the date of the base assessment roll.

25 (5) "Budget" means an annual estimate of revenues and expenses for the
26 following fiscal year of the agency. An agency shall, by September 1 of each
27 calendar year, adopt and publish, as described in section 50-1002, Idaho
28 Code, a budget for the next fiscal year. An agency may amend its adopted
29 budget using the same procedures as used for adoption of the budget. For
30 the fiscal year that immediately predates the termination date for an urban
31 renewal plan involving a revenue allocation area or will include the termi-
32 nation date, the agency shall adopt and publish a budget specifically for the
33 projected revenues and expenses of the plan and make a determination as to
34 whether the revenue allocation area can be terminated before the January 1
35 of the termination year pursuant to the terms of section 50-2909(4), Idaho
36 Code. In the event that the agency determines that current tax year revenues
37 are sufficient to cover all estimated expenses for the current year and all
38 future years, by September 1 the agency shall adopt a resolution advising and
39 notifying the local governing body, the county auditor, and the state tax
40 commission and recommending the adoption of an ordinance for termination of
41 the revenue allocation area by December 31 of the current year and declaring
42 a surplus to be distributed as described in section 50-2909, Idaho Code,
43 should a surplus be determined to exist. The agency shall cause the ordi-
44 nance to be filed with the office of the county recorder and the Idaho state
45 tax commission as provided in section 63-215, Idaho Code. Upon notification
46 of revenues sufficient to cover expenses as provided herein, the increment
47 value of that revenue allocation area shall be included in the net taxable
48 value of the appropriate taxing districts when calculating the subsequent
49 property tax levies pursuant to section 63-803, Idaho Code. The increment
50 value shall also be included in subsequent notification of taxable value for

1 each taxing district pursuant to section 63-1312, Idaho Code, and subsequent
2 certification of actual and adjusted market values for each school district
3 pursuant to section 63-315, Idaho Code.

4 (6) "Clerk" means the clerk of the municipality.

5 (7) "Competitively disadvantaged border community area" means a parcel
6 of land consisting of at least forty (40) acres which is situated within the
7 jurisdiction of a county or an incorporated city and within twenty-five (25)
8 miles of a state or international border, which the governing body of such
9 county or incorporated city has determined by ordinance is disadvantaged in
10 its ability to attract business, private investment, or commercial develop-
11 ment, as a result of a competitive advantage in the adjacent state or nation
12 resulting from inequities or disparities in comparative sales taxes, income
13 taxes, property taxes, population or unique geographic features.

14 (8) "Deteriorated area" means:

15 (a) Any area, including a slum area, in which there is a predominance
16 of buildings or improvements, whether residential or nonresidential,
17 which by reason of dilapidation, deterioration, age or obsolescence,
18 inadequate provision for ventilation, light, air, sanitation, or open
19 spaces, high density of population and overcrowding, or the existence
20 of conditions which endanger life or property by fire and other causes,
21 or any combination of such factors, is conducive to ill health, trans-
22 mission of disease, infant mortality, juvenile delinquency, or crime,
23 and is detrimental to the public health, safety, morals or welfare.

24 (b) Any area which by reason of the presence of a substantial number of
25 deteriorated or deteriorating structures, predominance of defective or
26 inadequate street layout, faulty lot layout in relation to size, ade-
27 quacy, accessibility or usefulness, insanitary or unsafe conditions,
28 deterioration of site or other improvements, diversity of ownership,
29 tax or special assessment delinquency exceeding the fair value of the
30 land, defective or unusual conditions of title, or the existence of con-
31 ditions which endanger life or property by fire and other causes, or any
32 combination of such factors, results in economic underdevelopment of
33 the area, substantially impairs or arrests the sound growth of a munici-
34 pality, retards the provision of housing accommodations or constitutes
35 an economic or social liability and is a menace to the public health,
36 safety, morals or welfare in its present condition and use.

37 (c) Any area which is predominately open and which because of obsolete
38 platting, diversity of ownership, deterioration of structures or im-
39 provements, or otherwise, results in economic underdevelopment of the
40 area or substantially impairs or arrests the sound growth of a munici-
41 pality. The provisions of section 50-2008(d), Idaho Code, shall apply
42 to open areas.

43 (d) Any area which the local governing body certifies is in need of
44 redevelopment or rehabilitation as a result of a flood, storm, earth-
45 quake, or other natural disaster or catastrophe respecting which the
46 governor of the state has certified the need for disaster assistance
47 under any federal law.

48 (e) Any area which by reason of its proximity to the border of an ad-
49 jacent state is competitively disadvantaged in its ability to attract

1 private investment, business or commercial development which would
2 promote the purposes of this chapter.

3 (f) "Deteriorated area" does not mean not developed beyond agricul-
4 tural or forestry use, or any agricultural operation as defined in
5 section 22-4502(1), Idaho Code, unless the owner of the agricultural or
6 forestry operation gives written consent to be included in the deteri-
7 orated area, except for an agricultural or forestry operation that has
8 not been used for three (3) consecutive years.

9 (9) "Facilities" means land, rights in land, buildings, structures,
10 machinery, landscaping, extension of utility services, approaches, road-
11 ways and parking, handling and storage areas, and similar auxiliary and re-
12 lated facilities.

13 (10) "Increment value" means the total value calculated by summing the
14 differences between the current equalized value of each taxable property in
15 the revenue allocation area and that property's current base value on the
16 base assessment roll, provided such difference is a positive value.

17 (11) "Local governing body" means the city council or board of county
18 commissioners of a municipality.

19 (12) "Plan" or "urban renewal plan" means a plan, as it exists or may
20 from time to time be amended, prepared and approved pursuant to section
21 50-2008, Idaho Code, and any method or methods of financing such plan, which
22 methods may include revenue allocation financing provisions.

23 (13) "Project" or "urban renewal project" or "competitively disadvan-
24 tagged border areas" may include undertakings and activities of a municipal-
25 ity in an urban renewal area for the elimination of deteriorated or deterio-
26 rating areas and for the prevention of the development or spread of slums and
27 blight, and may involve slum clearance and redevelopment in an urban renewal
28 area, or rehabilitation or conservation in an urban renewal area, or any com-
29 bination or part thereof in accordance with an urban renewal plan. Such un-
30 dertakings and activities may include:

31 (a) Acquisition of a deteriorated area or a deteriorating area or por-
32 tion thereof;

33 (b) Demolition and removal of buildings and improvement;

34 (c) Installation, construction, or reconstruction of streets, utili-
35 ties, parks, playgrounds, open space, off-street parking facilities,
36 public facilities, public recreation and entertainment facilities or
37 buildings and other improvements necessary for carrying out, in the ur-
38 ban renewal area or competitively disadvantaged border community area,
39 the urban renewal objectives of this act in accordance with the urban
40 renewal plan or the competitively disadvantaged border community area
41 ordinance.

42 (d) Disposition of any property acquired in the urban renewal area or
43 the competitively disadvantaged border community area (including sale,
44 initial leasing or retention by the agency itself) or the municipality
45 creating the competitively disadvantaged border community area at its
46 fair value for uses in accordance with the urban renewal plan except for
47 disposition of property to another public body;

48 (e) Carrying out plans for a program of voluntary or compulsory repair
49 and rehabilitation of buildings or other improvements in accordance
50 with the urban renewal plan;

1 (f) Acquisition of real property in the urban renewal area or the com-
 2 petitively disadvantaged border community area which, under the urban
 3 renewal plan, is to be repaired or rehabilitated for dwelling use or re-
 4 lated facilities, repair or rehabilitation of the structures for guid-
 5 ance purposes, and resale of the property;

6 (g) Acquisition of any other real property in the urban renewal area
 7 or competitively disadvantaged border community area where necessary
 8 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-
 9 sity, eliminate obsolete or other uses detrimental to the public wel-
 10 fare, or otherwise to remove or to prevent the spread of blight or dete-
 11 rioration, or to provide land for needed public facilities or where nec-
 12 cessary to accomplish the purposes for which a competitively disadvan-
 13 tagged border community area was created by ordinance;

14 (h) Lending or investing federal funds; and

15 (i) Construction of foundations, platforms and other like structural
 16 forms.

17 (14) "Project costs" includes, but is not limited to:

18 (a) Capital costs, including the actual costs of the construction of
 19 public works or improvements, facilities, buildings, structures, and
 20 permanent fixtures; the demolition, alteration, remodeling, repair or
 21 reconstruction of existing buildings, structures, and permanent fix-
 22 tures; the acquisition of equipment; and the clearing and grading of
 23 land;

24 (b) Financing costs, including interest during construction and capi-
 25 talized debt service or repair and replacement or other appropriate re-
 26 serves;

27 (c) Real property assembly costs, meaning any deficit incurred from the
 28 sale or lease by a municipality of real or personal property within a
 29 revenue allocation district;

30 (d) Professional service costs, including those costs incurred for ar-
 31 chitectural, planning, engineering, and legal advice and services;

32 (e) Direct administrative costs, including reasonable charges for the
 33 time spent by municipal employees in connection with the implementation
 34 of a project plan;

35 (f) Relocation costs;

36 (g) Other costs incidental to any of the foregoing costs.

37 (15) "Revenue allocation area" means that portion of an urban renewal
 38 area or competitively disadvantaged border community area where the equal-
 39 ized assessed valuation (as shown by the taxable property assessment rolls)
 40 of which the local governing body has determined, on and as a part of an urban
 41 renewal plan, is likely to increase as a result of the initiation of an urban
 42 renewal project or competitively disadvantaged border community area. The
 43 base assessment roll or rolls of revenue allocation area or areas shall not
 44 exceed at any time ten percent (10%) of the current assessed valuation of all
 45 taxable property within the municipality.

46 (16) "State" means the state of Idaho.

47 (17) "Tax" or "taxes" means all property tax levies upon taxable prop-
 48 erty.

1 (18) "Taxable property" means taxable real property, personal prop-
 2 erty, operating property, or any other tangible or intangible property
 3 included on the equalized assessment rolls.

4 (19) "Taxing district" means a taxing district as defined in section
 5 63-201, Idaho Code, as that section now exists or may hereafter be amended.

6 (20) "Termination date" means a specific date no later than twenty-four
 7 (240) years from the effective date of an urban renewal plan or as described
 8 in section 50-2904, Idaho Code, on which date the plan shall terminate. Ev-
 9 ery urban renewal plan shall have a termination date that can be modified or
 10 extended subject to the twenty-four (240) year maximum limitation. Provided
 11 however, the duration of a revenue allocation financing provision may be ex-
 12 tended as provided in section 50-2904, Idaho Code.

13 SECTION 7. That Section 50-2904, Idaho Code, be, and the same is hereby
 14 amended to read as follows:

15 50-2904. AUTHORITY TO CREATE REVENUE ALLOCATION AREA. An authorized
 16 municipality is hereby authorized and empowered to adopt, at any time, a
 17 revenue allocation financing provision, as described in this chapter, as
 18 part of an urban renewal plan or competitively disadvantaged border com-
 19 munity area ordinance. A revenue allocation financing provision may be
 20 adopted either at the time of the original adoption of an urban renewal plan
 21 or the creation by ordinance of a competitively disadvantaged border com-
 22 munity area or thereafter as a modification of an urban renewal plan or the
 23 ordinance creating the competitively disadvantaged border community area.
 24 Urban renewal plans existing prior to the effective date of this section may
 25 be modified to include a revenue allocation financing provision. Except as
 26 provided in subsections (1), (2) and (3) of this section, no revenue allo-
 27 cation provision of an urban renewal plan or competitively disadvantaged
 28 border community area ordinance, including all amendments thereto, shall
 29 have a duration exceeding twenty-four (240) years from the date the ordi-
 30 nance is approved by the municipality; and provided further, no additions
 31 to the land area of an existing revenue allocation area shall be inter-
 32 preted to or shall cause an extension of the date of the twenty-four (240)
 33 year limit that was originally established for the revenue allocation area.
 34 Notwithstanding these limitations, the duration of the revenue allocation
 35 financing provision may be extended if:

36 (1) The maturity date of any bonds issued to provide funds for a spe-
 37 cific project in the revenue allocation area and payable from the revenue al-
 38 location financing provision exceeds the duration of the revenue allocation
 39 financing provision, provided such bond maturity is not greater than thirty
 40 twenty (320) years; or

41 (2) The urban renewal agency determines that it is necessary to refi-
 42 nance outstanding bonds payable from the revenue allocation financing pro-
 43 vision to a maturity exceeding the twenty-four (240) year duration of the
 44 revenue allocation financing provision in order to avoid a default on the
 45 bonds; or

46 (3) The local governing body has adopted an urban renewal plan or com-
 47 petitively disadvantaged border community area ordinance or an amendment to
 48 an urban renewal plan or competitively disadvantaged border community area
 49 ordinance prior to July 1, 2000, in which is defined the duration of the plan

beyond a period of twenty~~-four~~ (24⁰) years, in which case the revenue allocation provision shall have a duration as described in such urban renewal plan or competitively disadvantaged border community area ordinance; and

(4) During the extensions set forth in subsections (1) and (2) of this section, any revenue allocation area revenues exceeding the amount necessary to repay the bonds during the period exceeding the twenty~~-four~~ (24⁰) year maturity of the revenue allocation financing provision shall be returned to the taxing districts in the revenue allocation area on a pro rata basis.

(5) The local governing body has adopted an urban renewal plan or competitively disadvantaged border community area ordinance or an amendment to an urban renewal plan or competitively disadvantaged border community area ordinance after July 1, 2001, and prior to July 1, 2011, in which is defined the duration of the plan beyond a period of twenty (20) years and not to exceed twenty-four (24) years. The duration of the revenue allocation financing provision may be extended if:

(a) The maturity date of any bonds issued to provide funds for a specific project in the revenue allocation area and payable from the revenue allocation financing provision exceeds the duration of the revenue allocation financing provision, provided such bond maturity is not greater than twenty-four (24) years; or

(b) The urban renewal agency determines that it is necessary to refinance outstanding bonds payable from the revenue allocation financing provision to a maturity exceeding the twenty-four (24) year duration of the revenue allocation financing provision in order to avoid a default on the bonds.

SECTION 8. SEVERABILITY. The provisions of this act are hereby declared to be severable and if any provision of this act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of the remaining portions of this act.